

# Cablefax Daily™

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What the Industry Reads First

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## Unpacking Astound: RCN, Grande, Wave Reportedly on the Block

News that private equity firm **TPG** is exploring a sale of overbuilder **Astound (RCN/Grande/Wave)** with *Reuters* citing a valuation of potentially more than \$8bln has tongues wagging. Who might buy the assets, which span California, Chicago, Massachusetts, NYC, Oregon, Pennsylvania, Texas and Washington? And what about that price tag, given that the pandemic is helping boost broadband?

**Pivotal Research's** *Jeff Wlodarczak* suggested there's likely a material discount to traditional cable operator valuations. "Also, you are seeing existing cable operators looking to expand footprint into more rural areas possibly taking advantage of CBRS spectrum, which might lead to some additional competition," he told **CFX**. There's also the **FCC's** upcoming RDOF auction (see "RDOF Bidders Identified" below).

"On the bright side, video is becoming less and less important, so their relative lack of programming scale to Comcast and Charter is less of a disadvantage than it used to be," the analyst said. "In the end the issue with overbuilders is that if they ever take material share in a particular market it is easy for **Comcast** and **Charter** to cut price in those areas, putting material pressure on Astound, without effecting their broad results."

Private equity continues to show great interest in the space and are viewed by many as the most likely potential buyer. "For years, there have been more buyers than sellers. I can't speak to the valuation, but I don't doubt that there will be lots of companies that will at least want to give it a close look," said **MoffettNathanson's** *Craig Moffett*. *Wlodarczak* threw out the possibility of **T-Mobile**, given its need for fiber for its 5G effort. "It would give them a quad play but they are a national wireless operator and there is not enough footprint here to make that much of a difference," he said.

TPG acquired RCN and Grande from **ABRY Partners** in 2016 in separate transaction for \$1.6bln and \$650mln, respectively. It partnered with **Patriot Media**, whose management team of *Steve Simmons*, *Jim Holanda* and *John Gdovin* continued to manage the systems. In 2017, TPG added Wave Broadband to the stable for \$2.365bln.

**RDOF Bidders Identified:** The **FCC** released the names of those companies filing short-form applications to participate in Phase 1 of the Rural Digital Opportunities Fund, and there are plenty of cable operators in the mix. The auction, set to begin on Oct 29, will award up to \$16bln over 10 years to service providers to offer voice and broadband in census blocks

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that are unserved with speeds of at least 25Mbps/3Mbps. Charter, bidding as CCO Holdings, has filed, as have Cox, Altice USA, Mediacom and Atlantic Broadband. Most of the 505 applications filed were marked incomplete by the FCC (384 incomplete), with applicants having until 6pm ET on Sept 23 to correct deficiencies. All five of the operators above are listed on the incomplete list. Comcast previously announced it wouldn't participate because there are relatively few adjacent rural areas to offset the additional regulatory costs associated with the auction. Cable operators have traditionally been hesitant to apply for Eligible Telecommunications Carrier status, which is necessary for the fund, because of concern it could open the door to additional regulatory burdens. Charter, on the other hand, thinks there's value, writing in an 8K that it believes these potential significant investments will "generate long-term infrastructure-style returns for Charter shareholders by further taking advantage of the efficiencies of the scale and quality of our network and construction capabilities." Among the 121 applications deemed complete are filings from Hotwire Communications, Shentel and One Point Technologies. Other entities on the incomplete list include Verizon, Frontier, SpaceX and Windstream.

**FCC Says No to AMCN's Standstill Order:** The FCC Media Bureau denied a petition for temporary relief filed by AMC Networks that sought a standstill order that would have preserved its current carriage deal with AT&T while the agency considers AMCN's program carriage complaint. Ultimately, the Bureau ruled that AMCN did not meet its burden of demonstrating that the interim relief would have been warranted. The order said AMCN's irreparable harm argument was "breaking bad at the outset because AMCN misconstrued the relevant inquiry." That's because AMCN's case for injunctive relief relied on supposed harms that would flow from its decision to accept AT&T's new program carriage offer. It could avoid those harms by not agreeing to the AT&T offer. "Simply put, AMCN does not need a standstill order to avoid those harms. Rather, it can decline AT&T's carriage offer and experience a temporary service disruption while its complaint is being considered by the Commission," the Bureau said. AMCN did not offer a statement by our deadline, but AT&T said it was pleased with the decision. "We treat all programmers fairly and AMC Networks' petition and complaint are without merit," an AT&T spokesperson said. "We remain willing to work with AMC Networks to provide its content at a reasonable price for our customers."

**NFL Network, RedZone Coming to YouTube TV?:** According to reports from Twitter users and some media outlets, YouTube TV could be adding NFL Network to its base tier within the coming days. Rumor also has it that YouTube TV will be launching a "Sports Plus" add-on that will include NFL Redzone, Fox College Sports, Fox Soccer Plus, MAVTV and more. YouTube has not confirmed the reports. "We don't have news yet on when or if NFL Network and Redzone is going to be part of our lineup, but we'll definitely announce it once we have an update," a statement from the TeamYou-

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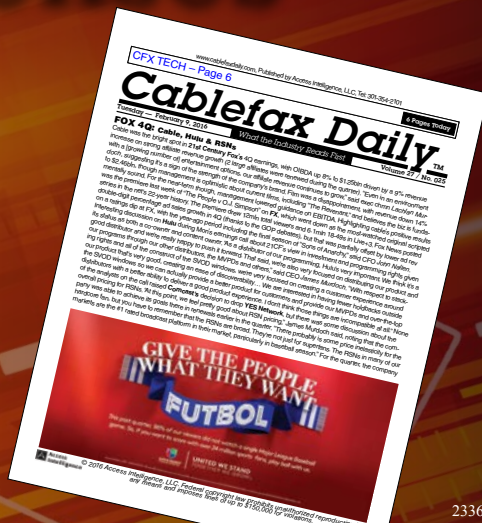
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Tube Twitter account said. Both moves would be huge additions for the vMVPD ahead of the NFL's official Sept 10 start. **DISH** is still working to settle its ongoing carriage dispute that left NFL Network and NFL RedZone dark back in June. "Our goal is for you to not miss any of the NFL season, so we are working with the NFL to bring their channels back as quickly as possible. We are remaining very hopeful to have these channels back to you before the start of the season," **DISH** said in an Aug 24 update on its website.

**Keever Named WIT Winner:** *Kim Keever*, **Cox's** svp, security, analytics and technology services/CISO, has been named the winner of the 2020 Women in Technology Award. The award is presented jointly each year by **WICT**, **SCTE-ISBE** and **Cablefax** to one woman who demonstrates outstanding professional achievement and contributes to the advancement of the cable telecommunications industry. The 2019 WIT winner, **SCTE-ISBE's Zenita Henderson**, and **Cox evp/chief product and technology officer Kevin Hart** will co-present the honor to Keever during the virtual **SCTE-ISBE Cable-Tec Expo** on October 13 during its Industry Recognition Awards. Keever will also be featured in an upcoming issue of **Cablefax**.

**AT&T Considering Selling Xandr:** **AT&T** is exploring options to sell its digital advertising unit **Xandr**, according to a report from the **WSJ**. **AT&T** first launched **Xandr** in 2018 after its acquisition of **Time Warner**, and then acquired **AppNexus** in June 2018 for \$1.6bln as the core of **Xandr's** operations. The idea was to challenge companies such as **Google** parent **Alphabet Inc.** as a major online ads player, which the **WSJ** said is a potential sign **AT&T** is backing away from that desire. According to people familiar with the matter, discussion are still in an early stage and might not result in a sale, which would be unlikely to fetch more than what **AT&T** paid for **AppNexus**. This year, **AT&T** folded **Xandr** into **WarnerMedia**. **Xandr's** chief business officer *Kirk McDonald* departed the company earlier this month to head up **GroupM**.

**August is for Newshounds:** **MSNBC's** strong DNC performance wasn't enough to bump **Fox News** off the throne for August. **Fox** was the most-watched ad-supported cable net in prime (3.637mln total viewers) and total day (1.783mln) for the month, with **MSNBC** taking second in both dayparts (2.194mln and 1.248mln). **CNN** took third and had its most-watched August in 40 years (1.685mln/1.1013mln).

**CTI Towers has a Buyer:** Alternative asset manager **Melody Investment Advisors** will acquire Cary, NC-based **CTI Towers**, which is majority owned by **Comcast Ventures**. Terms weren't disclosed, with the deal expected to close later this year. **CTI** owns approximately 1150 towers in 47 states, with its lessors including **AT&T**, **T-Mobile** and **Verizon**. The management team of **CTI Towers** will continue to lead the company. The acquisition follows **Melody Investment Advisors'** previously announced acquisition in May of **Uniti Towers**.

**Distribution:** **Black News Channel** is now available on **DirecTV** and will soon be launched to **AT&T TV** and **AT&T TV Now** customers. **BNC**, which launched in February, also has carriage with **Charter**, **Comcast** and **DISH**. -- **Estrella Media** and **fuboTV** entered into a deal to bring the former's national **EstrellaTV** channel and its flagship television station **LA KRCA-62** to **fubo's** Latino package in the US. -- **HITN TV's** **HITN Go** app is now available to **AT&T TV** and **DirecTV** subscribers. The app is also available on **Android**, **iOS**, **Roku** and **Apple TV**.

**NBC Sports RSN Revamp:** **NBC Sports** RSNs launched a redesign of their mobile web and desktop sites. The sites' features are highlighted by individual team content portals for an all-in-one, inclusive and customized experience for fans of the **NFL**, **NBA**, **NHL**, **MLB** and **NCAA** teams covered extensively by the **NBC Sports Regional Networks**. The overall designs align with the **MyTeams** by **NBC Sports** mobile app, launched in 2018.

**Honors:** Unable to hold its **PAR Signature Luncheon** in person, **WICT** released a video to recognize its **PAR Top Companies for Women to Work**, as measured by the 2019 **PAR Workplace Diversity Survey**. **NBCU** took first place for programmers, followed by **ViacomCBS**. **Discovery** and **ESPN** tied for third place, followed by **REVOLT**. **Comcast Corp** took first place among operators, with **Cox Communications**, **Mediacom**, **Midco** and **Charter** rounding out the top five. -- **ACA Connects** awarded **Com Net CEO Rob Shema** with its "Servant Leader" award, recognizing his 15 years of service as a senior executive for the association. **Shema** joined **CNI** in March after serving as svp, member services for **ACAC**.

**People:** **Frontier** named former **Verizon** exec *John Stratton* as its exec chmn. His appointment is expected to become effective once **Frontier** exits bankruptcy, currently targeted for early 2021. **Frontier** pres/CEO *Bernard Han* will continue to oversee day-to-day operations. -- *Ramsey Naito* was named pres, **Nickelodeon Animation**. **Naito** most recently oversaw production on **Paramount Pictures'** upcoming "Sponge on the Run," which will debut on **CBS All Access** in early 2021.

**On the Circuit:** Join **Strong Women Vote** Zoom event at noon ET/9am PT Wednesday to hear **ACA Connects** chairman and **Boycom Cablevision** president *Patty Boyers* in a fireside chat with **Cablefax's Amy Maclean**. Special guests include former **FCC** commish *Rachelle Chong*. RSVP at [info@strongwomenvote.com](mailto:info@strongwomenvote.com).